
Government of the District of Columbia



Department of Consumer and Regulatory Affairs

Testimony of
Linda K. Argo
Director

***Department of Consumer and Regulatory Affairs
Fiscal Year 2009 Proposed Budget***

Council of the District of Columbia
Committee on Public Services and Consumer Affairs
Mary M. Cheh, Chairperson

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Room 412
John A. Wilson Building
1350 Pennsylvania Avenue NW
Washington, DC 20004
1:00 pm

Good afternoon, Chairman Cheh and members of the Committee on Public Services and Consumer Affairs. My name is Linda Argo, and I am the Director of the Department of Consumer and Regulatory Affairs (DCRA). With me today is Conrad Bridges, our agency Fiscal Officer. We're here to testify on the department's proposed Fiscal Year (FY) 2009 Budget.

You've heard us say repeatedly,

Our fundamental mission is to protect the health, safety, economic interests and quality of life of District of Columbia residents, businesses, and visitors by ensuring code compliance and regulating businesses. DCRA meets this mission by issuing licenses and permits; conducting inspections; enforcing building, housing, and safety codes; regulating land use and development; and providing consumer education and advocacy services.

While DCRA is not the largest agency in terms of budget dollars or FTEs, it clearly has one of the broadest and most varied scopes of authority and responsibility among District agencies. On a daily basis, we directly touch and affect the personal and professional lives of hundreds of thousands of residents, hundreds of thousands more who commute to work here, and millions of visitors.

My most important message to you is that DCRA's budget for FY 2009 will support our continuing efforts to make our customers' experience not just hassle-free, but satisfying – of their licensing, permitting, and inspections needs.

To fulfill our mission, we're continually building the right systems to effectively and efficiently serve these customers. We have begun to logically reengineer our processes to allow our employees – and, thus, our customers -- to work faster *and* smarter.

Our hard work is paying off:

- As part of the Mayor's efforts to consolidate and streamline similar business operations, we spearheaded the transfer of housing-related functions to the Department of Housing and Community Development. That transfer has allowed DCRA to better focus on our key functions – inspections, licensing and permitting – and DHCD to focus on further development of a unified District housing strategy.
- We're raising the code enforcement bar.

Building and housing code enforcement is one of our most important tasks: the key to assuring that our most vulnerable residents have safe and habitable housing.

That's why we're training all our inspectors on the International Code Council and the DC Construction Code.

It's why we're revamping the third party inspection program – to launch at the end of the month -- so it also meets these higher certification standards.

It's why we've put our inspections staff under one roof, where they're better able to organize and deploy when and where they're most needed.

It's why we'll be coming back to you with comprehensively revised building code proposals in early June.

It's the reason we are eager for the upcoming rollout of the mobile data terminals in August.

And why we'll continue to work with the Office of the Attorney General and other agencies to take enforcement to the next level – as we did with the lawsuit filed last week against 23 slumlords.

- To meet the Mayor's goal of excellent customer service, DCRA transferred 4 FTEs from our call center to the Office of Unified Communications (OUC). Now, customers can call 311 to get certain DCRA services the same way that they do with agencies like DPW.
- Our state-of-the-art Permit Center has already exponentially improved our customers' experiences. And we're collaborating with all agencies involved in plans review and permit issuance to give the public a truly consolidated review process and single point of entry at DCRA, with the Department of the Environment, Department of Transportation, Department of Health, and Historic Preservation staff on-site.

- As of March 31, 2008, we eliminated all backlogs in our structural and zoning disciplines. Currently, we're processing and reviewing same-day permit applications at an 84% on-time rate and complex 30- day reviews at a 78% on-time rate.

But you don't need to come to DCRA to access our services. You can get your simple (postcard) and supplemental permits online – as over 600 customers have now done. Even if you need to make a trip to our office, as you will when you have a complex permit job, you can complete your applications at any time online, first. Our customers now make more than 5,000 gas-free, virtual trips to our online permit center and view over 15,000 web pages a month.

To bring the District in line with business regulation practices in neighboring jurisdictions, we'll establish two new licensure requirements, through the Mayor's Budget Support Act (BSA) request. In the past, almost every Councilmember has encountered a situation where a business is clearly engaged in a practice that we'd all like to stop – but over which we were powerless, because we had no licensing authority.

To fill those gaps in our enforcement arsenal, we will license general contractors and general businesses that provide services or sell goods – and that currently have no other license requirements to do business in the District.

To maintain a level playing field – one that fosters a healthy and profitable economic environment for District businesses – the Mayor's BSA request will

also adjust the basic business license fee schedule to respond to feedback from the business community.

As I turn to the specifics of DCRA's proposed FY 2009 budget, I want to point out a correction to the transmitted budget. In the Mayor's proposal, \$2.1 million in Special Purpose Revenue from the business licensing division was incorrectly removed; the funds were deemed not "certified." The revenue has since been certified by the Chief Financial Officer; \$2.1 million in Special Purpose Revenue will be correctly reflected in the June budget book.

This brings the department's proposed FY 2009 Budget to \$39,160,601, a decrease of \$1,314,692 -- or 3.4 percent -- from the FY 2008 approved budget of \$40,475,293. The revised budget includes 382 FTEs -- a decrease of 8 FTEs -- or 2 percent -- from the FY 2008 approved FTE authority of 390.

This reduction is primarily due to a baseline adjustment of \$1.5 million in fixed costs. These anticipated cost savings result from the recent consolidation of the inspections staff into a single location at DC General, which should reduce fixed costs: rent, energy and support services.

The proposed budget includes \$19,868,000 and 164 FTEs funded with local funds; and \$19,292,235 and 218 FTEs funded with special purpose revenue.

The budget also reflects \$467,832 in assessments for services from the DC Department of Human Resources (DCHR) and the Office of Contracting and Procurement (OCP). The assessments, \$271,578 for DCHR and \$196,255, are fair amounts for these agencies' services.

The proposed FY 2009 budget reflects our many recent operational improvements and our continued efforts to organize and structure the agency for optimal efficiency, productivity, and accountability to our customers.

Key changes include:

- The transfer of \$151,000 and 4 FTEs from our call center to the Office of Unified Communications, to bolster the Mayor's effort to provide DC residents with a single number to call for non-emergency services.
- The net addition of 10 FTEs to our public-facing customer service team, through consolidation of 16 FTEs: 6 from Scheduling and Enforcement; 6 from our Plan Review Unit; and 4 from Permitting.
- The allocation of an additional \$500,000 to enhance and align our IT systems to interface with our sister agencies. Our ability to share permitting and land use data with agencies such as DDOE and DDOT is critical to our plans for streamlined permitting and other services.
- An additional \$103,000 and one FTE to support implementation of the Nuisance Properties Abatement Reform and Real Property Classification Amendment Act of 2008. This strengthens our efforts to identify vacant and blighted properties and return them to productive use.

As a whole, this budget supports our ongoing initiatives and our commitment to:

- Strengthen our organization
- Upgrade the systems and tools we need to do our jobs
- Continue fixing inefficient, cumbersome business processes, and
- Provide timely, responsive service and information to our customers.

This FY 2009 Budget structure is the first to be directly aligned with our organizational structure. It will provide a clearer picture of our spending patterns, priorities and our financial health, throughout the year. It will give the department greater flexibility when unforeseeable circumstances to which we must respond require operational adjustments.

This concludes my remarks on DCRA's proposed Fiscal Year 2009 Budget. My staff and I are ready to answer your questions.